

## **The Energy And Technology Committee**

**February 22, 2007**

### **House Bill 7182: AAC Certified Competitive Video Service**

#### **Testimony of**

#### **The Office of Consumer Counsel**

**Mary J. Healey, Consumer Counsel**

The Office of Consumer Counsel (OCC) has carefully reviewed and supports the concept of **House Bill 7182: AAC Certified Competitive Video Service**, which seeks to level the playing field between cable operators and the internet protocol delivery of video services proposed by AT&T Connecticut. The OCC looks forward to working with the Committee and industry participants to craft a bill that truly makes that goal a reality.

As advocate for Connecticut's public utility consumers, the OCC very much favors and has worked hard to promote competition in the telecommunications industry in this state. The OCC has long encouraged AT&T to pursue entering the video market, through whatever technology suits its business plan.

That said, the OCC has vigorously opposed the proposal of AT&T to "**UNlevel**" the playing field between its video services and those of the cable operators. Such an UNlevel playing field will cause inequities in the marketplace that will not serve the best interests of consumers or public policy goals. The OCC thus opposed the DPUC's 3-to-2 decision freeing AT&T from all regulation, and has sued for redress in state and federal courts.

Customers pushing the remote button do NOT care how the ballgame gets to the tube in front of their Laz-E-Boy. Customers will very much care when they lose the important public policy services provided pursuant to cable operator state and federal statutes and regulations.

Technology is not a legal basis for UNregulation. The law, and consumer protection, calls for equal regulation of all video services.

The OCC calls for a truly level playing field between these providers, one that does not ignore all the public policy benefits that consumers and the market itself demand. DPUC's Decision singled AT&T out for special favorable treatment by allowing it to have no enforceable legal obligations while the cable operators will continue to observe all statutory

requirements:

The public policy goals that will be lost include:

- **Prices** charged will not be subject to the federal regulatory oversight performed by the DPUC;
- **PEG (public, education, government) community access** programming TV will not be funded;
- **Redlining** must not be allowed for any reason, not just for discrimination by income level as prohibited by HR-7182. Federal law prohibits ALL discrimination and preempts HR-7182 so that provision should not stand;
- **Customer service** state and federal standards and protections will not apply to AT&T.

The DPUC's mere "expectation" or hope that AT&T will meet cable-like requirements, is inadequate. Legally, there is no recourse whatsoever if AT&T elects to ignore state law obligations. Rep. Barton, Republican from Texas, called AT&T's proposal, "stupido" and vowed that Congress would regulate AT&T as a cable operator.

The cable operators have spent millions of dollars in Connecticut to introduce new technologies and advanced services despite the presence of cable television regulation. Or, perhaps of it since their relations with their communities are at an all-time high. Furthermore, the cable operators are fully capable of employing the same technology proposed by AT&T, but the coaxial cable they use has greater capacity than IPTV.

News reports indicate that AT&T's gamble on this IP technology may not yield the results they've hoped for and they may yet change to coaxial, just as Verizon has successfully done across the United States. Verizon is in the video business now, competing to serve customers and making money: AT&T only has a handful of trials, two of them in Connecticut.

In short, AT&T should be subject to the same legal framework as the cable operators, including all public policy goals found in state and federal law.